

**TENNESSEE  
COLLECTION SERVICE BOARD  
MINUTES**

**DATE:** May 13, 2008

**PLACE:** Davy Crockett Tower – Room 640  
500 James Robertson Parkway  
Nashville, Tennessee

**PRESENT:** Board Members:  
Bart Howard, Chairman  
Ann Strong  
Worrick Robinson

**PRESENT:** Staff Members:  
Donna Hancock, Interim Director  
Wayne Pugh, Deputy General Counsel  
Judy Elmore, Administrative Assistant

**GUESTS:**

**CALL TO ORDER:**

Chairman Howard called the meeting to order and the following business was transacted:

**Roll Call**--Interim Director Hancock.

**MINUTES:**

**MOTION** was made by Worrick Robinson and seconded by Ann Strong to *approve the minutes of January 8, 2008 meeting as written.*

**MOTION CARRIED.**

**LEGAL REPORT---WAYNE PUGH, DEPUTY GENERAL COUNSEL**

**DISCLAIMER**

This Board is in no way responsible for the legal report. The report is given to the Board by the Staff Attorney.

**1. Case No. L-08-CSB-RBS-2008003851**

Complainants allege that Respondent, who is an associate at a law firm with a collections practice, wrongfully initiated foreclosure proceedings against their home mortgage and refused to validate the mortgage debt when requested to do so. Respondent provided documentation indicating that it did release information to the Complainants establishing the validity of the debt. Respondent

states that the nature of the complaints' request far exceeded what the FDCPA would require pursuant to a validation request.

**Recommendation: Close with no action.**

**Board: Concurs.**

**2. Case No. L-08-CSB-RBS-2008003821**

Complainant alleges that Respondent refused to provide debt validation upon his request and that Respondent engaged in unlicensed collection activity because its license was expired at the time that collection efforts were in progress. Respondent alleges that Complainant made a request for validation one year after commencement of collection efforts and provided an account notes summary indicating that the initial notice was mailed almost one year prior to the Complainant's demand. Respondent states that its Administrative records indicate that Respondent timely filed its renewal request, and licensees are granted a grace period during which they may collect while the Administrative office processes the request.

**Recommendation: Close with no action.**

**Board: Concurs.**

**3. Case No. L-08-CSB-RBS-2008003991**

Complainant alleged that Respondent made repeated calls to her home in an effort to reach a party that does not reside at her address and whom she does not know. Complainant states that the calls continued even after she put the Respondent on verbal notice that the responsible individual was not reachable using her contact information. Respondent states that it only made intentional calls over a two-day period and that the remaining calls were due to a "dialer glitch", which has now been repaired.

**Recommendation: Issue a strong letter of warning re: telephone harassment..**

**Board: Concurs**

**4. Case No. L-08-CSB-RBS-2008006631**

Complainant alleges that Respondent refused to validate a debt upon his request after Respondent demanded payment of the debt from him. Respondent states that it has responded to Complainant's dispute and that Respondent has admitted responsibility for the debt and has satisfied the outstanding balance prior to this date. Respondent is unlicensed in the State of Tennessee.

**Recommendation: Authorize formal hearing with authority to settle by Consent Order and civil penalty of \$1,000.00.**

**Board: Defer with the request for Attorney Bond to research the terminology of "a presence in Tennessee".**

**5. Case No. L-08-CSB-RBS-2008007111**

Complainant alleges that Respondent is harassing him by calling him twice in one day, and that he has informed Respondent that the individual they are searching for is his ex-spouse and no longer lives at his address. Respondent states that it called the numbers that the responsible party had provided as place of employment contacts and had no idea that it was calling the same location twice. Respondent provided audio recordings, which confirm that they were trying to ascertain whether the Complainant was the debtor's employer. The Complainant was uncooperative and argumentative when the Respondent inquired as to whether the numbers dialed were good contact information for the debtor.

**Recommendation: Close with no action.**

**Board: Concur**

**MOTION** was made by Worrick Robinson and seconded by Ann Strong to concur with the recommendation as noted with the exception of CSB-RBS-2008006631 being deferred to the next meeting. Request Attorney Bond to research what is considered "a presence in Tennessee".

**MOTION CARRIED**

**ADMINISTRATIVE ISSUES---INTERIM DIRECTOR DONNA HANCOCK**

Interim Director Hancock presented the Board with the open complaint report. She also included the complaint report from May 17, 2007 for a comparison. Director Hancock stated the Collection Service Board has 58 open complaints compared to 95 for the same time last year, The Board has received 58 complaints and 28 of those complaints are over 180 days old compared to 95 complaints received with 50 of them being 180 days old for the same time last year.

The next item presented was a request from a licensee by the name of Robert Powell, CEO of Collection Licensing LLC, in Northglenn, CO. Mr. Powell had a location manager applicant by the name of Michael Chojnacki to apply for the location manager who took the location manager exam in January 2008 and failed. The collection agency then terminated Mr. Chojnacki and Mr. Powell sent in a new application for Mr. Robert Katashuk and wanted to substitute Mr. Katashuk in the place of Mr. Chojnacki for the May 2008 location manager examination. Mr. Robert Katashuk's application was not submitted until April 24, 2008, beyond the deadline date to file for the location manager examination scheduled for May 16, 2008.

Director Hancock informed Mr. Powell that per Administrative Rule #0320-1-.02(3) the completed application for a location manager's license and the one hundred dollars (\$100.00) non-refundable application fee must be filed in the Collection Service Board office ninety (90) days prior to the applicant being scheduled to take the location manager's examination.

She also stated that Mr. Katashuk's application was not received 90 days prior to the May 16, 2008 examination date and therefore was not eligible to sit for the test on that day.

Mr. Powell then requested Ms. Hancock to present the issue to the Board and ask for special consideration for Mr. Katashuk to sit for the exam on May 16, 2008.

The Board declined to make a motion to grant or waive Mr. Powell's request.

**APPLICATION REVIEW**

There are no applications for review.

**NORTH AMERICAN COLLECTION AGENCY REGULATORY ASSOCIATION**

Chairman Howard led a discussion pertaining to the annual meeting of North American Collection Agency Regulatory Association (NACARA). He stated he would like to attend if the travel could be approved. Director Hancock stated she would request for Mr. Howard, Mr. Robinson and Attorney Bond to attend this meeting.

**UNFINISHED BUSINESS****BOARD POLICIES**

Director Hancock stated this would be deferred until the next meeting when Attorney Bond would be at the meeting.

Counsel Pugh added that he would review the Standard Operation Procedure for handling complaints. He stated the Board had a Standard Operation Procedure for complaints. When a Board receives a complaint that Board must enter the complaint in the computer system. Counsel Pugh stated the main purpose of this was for tracking. For instance, a consumer files a complaint and three (3) months later they call and want to know what is happening with their complaint and then the staff member can check the computer and tell them where the complaint is. He also stated it was no problem for the Attorney to take a file and look at it and say there is no merit, there is nothing wrong and then present it to the Board/Commission. The Board/Commission does have the authority to make the determination on the complaint.

**MOTION** was made by Worrick Robinson and seconded by Ann Strong to adjourn.

**MOTION CARRIED.** Meeting Adjourned.

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Bart Howard, Chairman

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Ann Strong

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Elizabeth Trinkler, Vice Chairman

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Worrick Robinson

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Harold Nichols